

HANK YARN OBLIGATION

The hank yarn packing obligation scheme is in force for the last more than two decades, with the objective of the Government of India to ensure an adequate supply of hank yarn at reasonable price to handloom industry, Hank Yarn Obligation (HYO) was 50% which has been reduced to 40% with effect from 1.1.2003. The current Hank Yarn Packing Notification No. 2/TDRO/8/2003 dtd. 17.4.2003 in force from 1.1.2003, prescribes that, every producers of yarn who packs yarn for civil consumption shall pack yarn in hank form in each quarterly period commencing from Jan/March, 2003 and in every subsequent quarterly period in proportion of not less than 40% of total yarn packed by him during each quarterly period for civil consumption.

- i) Provided that not less than 80% of the yarn required to be packed in hank form shall be of counts 80s & below in regard to yarn made /spun wholly out of cotton and /or its waste.
- ii) A producer of yarn who does not have reeling capacity to fulfill the obligation by own packing may fulfill in either of following ways:-
 - a) A producer of yarn may get his yarn reeled out by another producer having surplus reeling capacity , including independent outsider reelers
 - b) The shortfall in respect of one producer of yarn for particular quarter may be met by another producer after fulfilling his own hank yarn obligation to the satisfaction of concerned Regional Office of the Textile Commissioner.

To monitor the fulfillment of hank yarn packing obligation as stated above, it has been prescribed that every producer of yarn shall submit to its jurisdictional Regional Office of the Textile Commissioner the particulars of categories of yarn packed in various forms in the prescribed quarterly return Annexure-I and position of fulfillment of hank yarn packing obligation by transfer to other mills in Annexure-II (Prescribed) on or before the 10th of the second month and the end of the second month respectively, after the expiry of the concerned quarterly period.

The details of Hank Yarn Packing Obligation and its fulfillment by actual packing for the last 10 years is as under:

(Figures in Mn. Kgs)

Sr No	Year	No. of Units submitted the returns (figure in numbers)	Fulfillment of Hank Yarn obligation		Shortfall (-) Excess (+)	Percentage of fulfillment
			Hank Yarn obligation	Fulfilment of hank yarn obligation (on actual packing basis)		
(1)	(2)	(3)	(4)	(5)	(6).	(7)
1.	2004-2005	2104	386.56	411.73	(+)25.17	106.51%
2.	2005-2006	1942	451.84	441.94	(-)9.9	97.81%
3.	2006-2007	2022	484.67	485.03	(+)0.63	100.13%
4.	2007-2008	2099	516.03	527.37	(+)11.07	102.14%
5.	2008-2009	2114	492.51	524.00	(+)31.49	106.39%
6.	2009-2010	2090	525.78	534.74	(+)8.96	101.70%
7.	2010-2011	2126	567.44	559.74	(-)7.59	98.67%
8.	2011-2012	2150	511.11	522.05	(+)11.94	102.34%
9.	2012-13	2329	593.73	573.77	(-)19.96	96.64%
10.	2013-2014 (Provisional)	2217	605.69	601.21	(-)4.48	99.26%